

TOWNSHIP OF RENO  
IOSCO COUNTY, MICHIGAN

FINANCIAL REPORT  
FOR THE YEAR ENDED MARCH 31, 2004

# AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <i>Keno</i>	County <i>Barro</i>
Audit Date <i>3/3/04</i>	Opinion Date <i>6/1/04</i>	Date Accountant Report Submitted to State: <i>6/1/04</i>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan*, revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

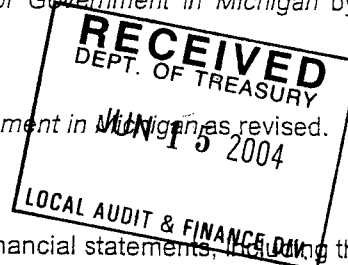
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

## We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<i>J</i>		
Reports on individual federal financial assistance programs (program audits).			<i>J</i>
Single Audit Reports (ASLGU).			<i>J</i>

Certified Public Accountant (Firm Name) <b>Barry E. Gaudette, CPA, PC</b>			
Street Address <b>1107 E. Eighth Street</b>	City <b>Traverse City</b>	State <b>MI</b>	ZIP <b>49686</b>
Accountant Signature <i>Barry E. Gaudette, CPA</i>			



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INTRODUCTORY SECTION

TOWNSHIP OF RENO  
ORGANIZATION  
MARCH 31, 2004

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TOWNSHIP OFFICERS AND BOARD MEMBERS

Terry Bellville	Supervisor
Leonard Robinson	Clerk
Elilert Barnes	Treasurer
Carol Barkholz	Trustee
Michael Boensch	Trustee

Members of the Township Board  
Township of Reno  
Iosco County, Michigan

Independent Auditor's Report

We have audited the accompanying financial statements of the Township of Reno, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Township of Reno's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Since it is not practical to extend our auditing procedures into the prior unaudited year, we are unable to express an opinion on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the omission of the information mentioned in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Reno, Michigan, as of March 31, 2004, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report  
Township of Reno  
Page 2

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Township of Reno. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bary E. Taudelle, CPA, PC*

June 1, 2004

FINANCIAL SECTION



Basic Financial Statements

TOWNSHIP OF RENO  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP  
MARCH 31, 2004  
=====

	<u>Governmental</u> <u>Fund Type</u>
	<u>General</u>
 <u>ASSETS</u>	
Cash	\$ 253,131
Taxes receivable	2,482
Prepaid expenses	1,523
Due from other funds	91
Property, plant and equipment	<u>          </u>
 TOTAL ASSETS	 <u><u>\$ 257,227</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>	
LIABILITIES:	
Due to other funds	\$ <u>          </u>
 TOTAL LIABILITIES	 <u>          </u>
FUND EQUITY:	
Investment in general fixed assets	
Fund balance:	
Unreserved:	
Undesignated	<u>257,227</u>
 TOTAL FUND EQUITY	 <u>257,227</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$ 257,227</u></u>

See notes to financial statements

<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>March 31, 2004</u>
\$ 91	\$	\$ 253,222
		2,482
		1,523
		91
	<u>124,964</u>	<u>124,964</u>
<u>\$ 91</u>	<u>\$ 124,964</u>	<u>\$ 382,282</u>
\$ <u>91</u>	\$ <u></u>	\$ <u>91</u>
<u>91</u>	<u></u>	<u>91</u>
	124,964	124,964
		<u>257,227</u>
	<u>124,964</u>	<u>382,191</u>
<u>\$ 91</u>	<u>\$ 124,964</u>	<u>\$ 382,282</u>

TOWNSHIP OF RENO  
**STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GOVERNMENTAL FUND TYPE**  
 FOR THE YEAR ENDED MARCH 31, 2004

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	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 19,300	\$ 17,065	\$( 2,235)
Licenses and permits	1,000	908	( 92)
State grants	45,000	45,799	799
Charges for services	5,750	5,810	60
Interest and rents	2,750	1,859	( 891)
Refunds & reimbursements	469	469	469
TOTAL REVENUES	73,800	71,910	( 1,890)
EXPENDITURES:			
Current:			
Legislative	6,700	3,338	3,362
General government	49,650	46,543	3,107
Public safety	4,000	1,677	2,323
Public works	10,000	8,964	1,036
Capital outlay	9,640	9,640	( 9,640)
TOTAL EXPENDITURES	70,350	70,162	188
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,450	1,748	( 1,702)
FUND BALANCE, beginning	255,479	255,479	255,479
FUND BALANCE, ending	\$ 3,450	\$257,227	\$ 253,777

See notes to financial statements

TOWNSHIP OF RENO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Introduction**

The Township of Reno (Township) complies with Generally Accepted Accounting Principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Township's financial activities for the fiscal year ended March 31, 2004.

The financial statements of the Township of Reno have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Township are described below.

**B. Reporting Entity**

The Township of Reno operates under an elected Board (5 members) and provides services to its 656 residents in many areas including public safety, street development and maintenance, and general administrative services.

In evaluating how to define the Township, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Township's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Reporting Entity - Continued**

matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Township and/or its citizens, or whether the activity is conducted within the geographic boundaries of the Township and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Township is able to exercise oversight responsibilities. Based upon the application of these criteria, no required organizations have been omitted from these financial statements.

**C. Funds and Account Groups**

The accounts of the Township are organized into funds and account groups, each of which is considered to be a separate accounting entity.

The major fund categories and account groups are:

**Governmental Fund Type**

These funds are those through which most governmental functions typically are financed. The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of the financial resources) rather than upon net income. The following is a description of the Governmental Fund Type of the Township:

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, State distributions, grants, and other intergovernmental revenues.

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. Funds and Account Groups - Continued**

**Fiduciary Fund Type**

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township's Current Tax Collection Fund is an Agency Fund.

**Account Group**

General Fixed Asset Account Group

The General Fixed Asset Account Group presents the fixed assets of the local unit utilized in its general operations (non-proprietary fixed assets).

**D. Total Columns (memorandum only)**

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

**E. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual

All Governmental Funds (General Fund) are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, property taxes and other revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Basis of Accounting - Continued**

period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seem certain.

**F. Budgets**

Annual operating budgets are adopted by the Township Board for the General Fund in accordance with Public Act 621 of 1978.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. At the first meeting in March, the Supervisor submits to the Township Board, a proposed operating budget for the year commencing the following April 1st. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
- b. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
- c. Prior to March 31, the budget is legally enacted on a departmental (activity) basis through passage of a resolution.
- d. The Supervisor or his/her designee is authorized to transfer budgeted amounts within departmental appropriation accounts, however, any revisions that alter the total expenditures of any department must be approved by the Township Board.



TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**F. Budgets - Continued**

- e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.
- f. Budget appropriations lapse at year end.
- g. The original budget was not amended during the year in compliance with the Township procedures and applicable state laws. The budget to actual expenditures in the financial statements represent the final budgetary expenditures by the Township Board.

**G. Encumbrance System**

The Township does not use an encumbrance system.

**H. Assets and Liabilities**

**1. Cash and investments**

Michigan Compiled Laws, Section 129.91, authorizes the Township of Reno to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involve no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**H. Assets and Liabilities - Continued**

**1. Cash and Investments - Continued**

The Township Board has designated one bank and the MBIA Asset Management Account for the deposit of Township funds.

The Township's deposits and investments are in accordance with statutory authority.

**2. Inventories**

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used.

**3. Fixed Assets, Depreciation, and Amortization**

Property, plant, and equipment of all funds are stated at historical cost. Donated fixed assets are stated at their fair market value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated.

**4. Capitalized Interest**

Generally accepted accounting principles require that interest expenditures incurred during construction of assets be capitalized. They are capitalized only to the extent that interest cost exceeds interest earned on related interest bearing investments. The Township did not capitalize interest on fixed assets in the current year.

TOWNSHIP OF RENO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**I. Allowance for Doubtful Accounts**

The Township does not use an allowance for doubtful accounts.

**J. Accrued Vacation and Sick Leave**

The Township does not maintain a policy providing sick and vacation benefits for its employees.

**NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budget expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in the General Fund which were in excess of the amounts appropriated as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriations</u>	<u>Amount of</u> <u>Expenditures</u>	<u>Budget</u> <u>Variance</u>
General Fund:			
Capital outlay	\$ -	\$ 9,640	\$ ( 9,640)

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED MARCH 31, 2004  
 (Continued)

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**NOTE 3: DETAILED NOTES ON FUNDS AND ACCOUNT GROUPS**

**A. Assets**

**1. Deposits and Investments**

The GASB Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
Insured (FDIC)	\$259,434	\$253,222
Uninsured:		
Uncollateralized	_____	_____
Total	<u>\$259,434</u>	<u>\$253,222</u>

**2. Property Taxes Receivable and Property Tax Calendar**

	<u>Mills</u>	<u>Adjusted Levy</u>	<u>Collections</u>	<u>Delinquent</u>
Township -				
general	0.9455	\$ 17,065	\$ 15,043	\$ 2,022
fire voted	<u>1.4678</u>	<u>26,494</u>	<u>23,207</u>	<u>3,287</u>
	<u>2.4133</u>	<u>\$ 43,559</u>	<u>\$ 38,250</u>	<u>\$ 5,309</u>

Details of the property tax calendar are as follows:

Levy date:	December 1st
Due date	March 1st
Collection dates:	December 1st through March 1st

On March 1st, the Township Treasurer turns the delinquent real taxes over to the County Treasurer for collection. Uncollected taxes as of March 1st of each year are purchased by the County tax revolving fund and paid to the Township in June of each year.

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED MARCH 31, 2004  
 (Continued)

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**NOTE 3: DETAILED NOTES ON FUNDS AND ACCOUNT GROUPS - Continued**

**A. Assets - Continued**

**2. Property Taxes Receivable and Property Tax Calendar  
 - Continued**

The Township's Total Taxable Valuation is \$18,065,955.

Property tax revenues are recognized in the fiscal year for which they have been levied and become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay current period liabilities. The current period referred to here is a period of time not exceeding 60 days.

**3. Property and Equipment**

A summary of the changes and the components of property, plant and equipment of the general fixed asset account group is as follows:

	Balance 3/31/03	Additions	Retirements	Balance 3/31/04
Land	\$ 10,284	\$	\$	\$ 10,284
Building & improvements	100,699	9,640		110,339
Equipment	<u>4,341</u>	<u></u>	<u></u>	<u>4,341</u>
Total	<u>\$115,324</u>	<u>\$ 9,640</u>	<u>\$</u>	<u>\$124,964</u>

There were no retirements of general fixed assets during the year.

**4. Interfund Receivables and Payables**

As of March 31, 2004, the interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	<u>\$ 91</u>	Current Tax Collection	<u>\$ 91</u>

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 3: DETAILED NOTES ON FUNDS AND ACCOUNT GROUPS - Continued**

**B. Liabilities**

**1. Risk management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical benefits claims and participates in the Michigan Municipal League & Property Pool for claims relating to general liability, excess liability, auto liability, trunkline liability, errors and omissions, physical damage (equipment, buildings and contents) and workers compensation.

This policy complies with Act 294, P.A. 1972, as amended.

**NOTE 4: PENSION**

The Township has a defined contribution pension plan that covers all Township Board members. Under the plan the Township contributes a percentage of each covered employee's wages to the plan. Retirement plan expense for the current year was \$4,225.82.

**NOTE 5: INDIVIDUAL FUNDS PRESENTATION**

The General Fund is the only Township fund of its fund type. Therefore, it is not presented in a combining statement in the supplemental data portion of this report.

**NOTE 6: RELATED PARTY TRANSACTIONS**

Nothing came to our attention during the audit effort that would warrant separate mention related to transactions between the Township and its employees and/or elected officials.

**NOTE 7: SUBSEQUENT EVENTS**

No subsequent events have come to our attention that require disclosure at this time.

TOWNSHIP OF RENO  
**NOTES TO FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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**NOTE 8: COMPARATIVE DATA**

Comparative data has not been presented in the accompanying financial statements since the prior year is unaudited.

**NOTE 9: SIGNIFICANT CONTINGENT LIABILITIES**

After reviewing the Township Board meeting minutes, and after discussing with Township staff and other consultations with the Township's legal firm, it appears the Township has no material contingent liabilities at this time.

SUPPLEMENTARY DATA SECTION



Individual Fund Statements

TOWNSHIP OF RENO  
**STATEMENT OF EXPENDITURES - ACTUAL**  
**GENERAL FUND**  
 FOR THE YEAR ENDED MARCH 31, 2004  
 =====

	Actual
<b>Legislative:</b>	
Township Board:	
Trustees	\$ 2,812
Advertising	526
Total Township Board	3,338
<b>Total Legislative</b>	<b>3,338</b>
 <b>General Government:</b>	
Supervisor:	
Salaries	6,305
Supplies & mileage	750
Total Supervisor	7,055
Elections:	
Salaries	-
Assessor:	
Contracted services	5,377
Clerk:	
Salaries	6,305
Supplies & mileage	341
Total Clerk	6,646
Board of Review:	
Per diem and expenses	431
Treasurer:	
Salaries	6,305
Supplies & mileage	2,833
Total Treasurer	9,138
Building and grounds - Township Hall:	
Repairs and maintenance	1,964
Utilities & phone	1,921
Total Township Hall	3,885

TOWNSHIP OF RENO  
STATEMENT OF EXPENDITURES - ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED MARCH 31, 2004  
(Continued)

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	<u>Actual</u>
<b>General Government - Continued</b>	
Cemetery:	
Graves dug & miscellaneous	<u>3,026</u>
Unallocated:	
Data processing-County	1,289
Insurance	4,405
Miscellaneous	1,065
Pension	<u>4,226</u>
Total unallocated	<u>10,985</u>
<b>Total General Government</b>	<u>46,543</u>
 <b>Public Safety:</b>	
Zoning:	
Salaries	800
Advertising, permits & supplies	<u>877</u>
Total zoning	<u>1,677</u>
<b>Total Public Safety</b>	<u>1,677</u>
 <b>Public Works:</b>	
Highways, Streets and Bridges:	
Road maintenance	<u>8,964</u>
<b>Total Public Works</b>	<u>8,964</u>
 <b>Capital Outlay</b>	 <u>9,640</u>
 TOTAL EXPENDITURES	 <u>\$ 70,162</u>

TOWNSHIP OF RENO  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
 FOR THE YEAR ENDED MARCH 31, 2004

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	Balance <u>04/01/03</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>03/31/04</u>
 <u>ASSETS</u>				
Cash-checking	\$ 4,590	\$ 415,454	\$ 419,953	\$ 91
	<u>\$ 4,590</u>	<u>\$ 415,454</u>	<u>\$ 419,953</u>	<u>\$ 91</u>
 <u>LIABILITIES</u>				
Due to other funds	\$ 4,590	\$ 20,289	\$ 24,788	\$ 91
Due to other units	<u>          </u>	<u>395,165</u>	<u>395,165</u>	<u>          </u>
	<u>\$ 4,590</u>	<u>\$ 415,454</u>	<u>\$ 419,953</u>	<u>\$ 91</u>

COMMENTS AND RECOMMENDATIONS

Members of the Township Board  
Township of Reno  
Isoco County, Michigan

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

This letter supplements the information in the Financial Statements and Notes to Financial Statements. It is intended solely for the use of management and should not be used for any other purpose.

*Barry E. Gaudette, CPA, P.C.*

June 1, 2004